

Fiscal Services Division
Legislative Services Agency
Fiscal Note

HF 2685 – Soy-Based Transformer Fluid Tax Credit (LSB 6456 HV)
Analyst: Jeff Robinson (Phone: (515) 281-4614) (jeff.robinson@legis.state.ia.us)
Fiscal Note Version - New

Description

House File 2685 creates an income tax credit for the purchase and replacement cost related to the transition from using nonsoy-based transformer fluid to using soy-based transformer fluid. Soy-based transformer fluid is defined as a nonconductible fluid containing at least 98% soy-based products. The credit can be applied to corporate income, sales, and replacement taxes.

The credit is allowed for tax years ending after June 30, 2006, and beginning before January 1, 2008. The credit is \$2.00 per gallon for a maximum of 60,000 gallons.

Fiscal Impact

The tax credit established in HF 2685 will reduce the net sales tax liability of electric utilities by a maximum of \$120,000. The credits will be redeemed or the tax refunded during FY 2007.

Source

Legislative Services Agency analysis

/s/ Holly M. Lyons

March 8, 2006

The fiscal note and correctional impact statement for this bill was prepared pursuant to Joint Rule 17 and pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Fiscal Services Division, Legislative Services Agency to members of the Legislature upon request.
